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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

EX PARTE OR LATE FILED

In re Applications of)
)
GTE Corporation,)
Transferor,)
)
and)
)
Bell Atlantic Corporation,)
Transferee,)
)
For Consent to Transfer of Control)

CC Docket No. 98-184

RECEIVED

AUG 10 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

PETITION FOR LEAVE TO FILE COMMENTS

The National ALEC Association ("NALA") hereby petitions for leave to file comments in response to the Public Notice issued October 8, 1998, requesting comments on the proposed transfer of control of GTE Corporation to Bell Atlantic Corporation.

NALA is a recently formed organization dedicated to advancing competition in local exchange markets throughout the United States. NALA is comprised of fifteen alternative local exchange carriers ("ALECs") providing local telephone services to hundreds of thousands of residential consumers throughout the United States.^{1/} NALA members provide local telephone service to residential consumers, most of whom cannot get service from telephone companies because they have been disconnected for nonpayment. In many cases, the service provided by NALA members offers the only option for local phone service, including access to 911 emergency service, for millions of American consumers.

^{1/} NALA consists of the following members: Cellular Rentals, Inc.; 1-800-RECONEX, Inc.; USA Telecom; EZ Talk Communications, L.L.C.; First Line Communications; CCI Telecom; Southwest Teleconnect; Spartan Communications Corporation; Comm South Companies, Inc.; Telcom Plus; Local Line America; ANNOX; One Point; Pre-Tell Communications; and Phones For All.

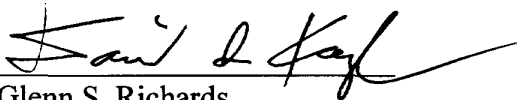
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NALA did not file comments in response to the Commission's Public Notice regarding the merger of Bell Atlantic and GTE. Since the time for filing comments expired, however, NALA members have been frustrated in their attempts to work with Bell Atlantic to resolve disputes that threaten the viability of NALA members. Accordingly, NALA requests that the Commission consider these comments in reviewing the merger of Bell Atlantic and GTE.

Respectfully submitted,

NATIONAL ALEC ASSOCIATION

By: 

Glenn S. Richards

David S. Konczal

Fisher Wayland Cooper Leader &

Zaragoza L.L.P.

2001 Pennsylvania Ave., NW

Suite 400

Washington, D.C. 20006

Its Attorneys

Dated: August 10, 1999

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COMMENTS OF THE NATIONAL ALEC ASSOCIATION ("NALA")

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August 10, 1999

Summary

The National ALEC Association ("NALA") hereby requests that the Commission impose certain conditions on Bell Atlantic Corporation ("Bell Atlantic") and GTE Corporation ("GTE") in connection with their proposed merger. NALA is an organization comprised of fifteen alternative local exchange carriers ("ALECs") which resell local telephone services to hundreds of thousands of residential consumers unwanted by traditional telephone companies. NALA members rely on Bell Atlantic and GTE for their underlying facilities and support functions.

As discussed herein, NALA proposes that the Commission impose ten conditions on the continuing operations of Bell Atlantic/GTE which will enable NALA members to continue to provide resold local telephone service to the public. These ten conditions would require Bell Atlantic/GTE to do the following throughout its service territory: (1) offer a resale discount of 50-60 percent; (2) waive OSS charges; (3) resell blocking of directory assistance and directory assistance call completion; (4) offer resellers a flat-rate local service option in all markets; (5) offer free toll blocking; (6) commit to eliminate delays and errors in connecting new customer; (7) resell voice mail services; (8) reform their billing processes; (9) commit to improve their dispute resolution processes; and (10) post local tariffs on the Internet.

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COMMENTS OF THE NATIONAL ALEC ASSOCIATION ("NALA")

The National ALEC Association ("NALA") hereby submits these comments on the proposed merger of GTE Corporation ("GTE") and Bell Atlantic Corporation ("Bell Atlantic"). For the reasons stated below, NALA submits that local exchange competition will develop only if the Commission places certain conditions on the continuing operations of the merged entity. Similar to the Commission's recent Public Notice announcing proposed conditions to be placed on the merger of SBC Communications Corporation and Ameritech Corporation,^{1/} NALA urges the Commission to impose the conditions discussed below on GTE and Bell Atlantic before approving the merger.

Background

NALA is an organization comprised of fifteen alternative local exchange carriers

^{1/} Pleading Cycle Established for Comments on Conditions Proposed by SBC Communications Inc. and Ameritech Corporation for their Pending Application to Transfer Control, Public Notice, CC Docket No. 98-141, DA 99-1305 (rel. July 1, 1999) ("SBC/Ameritech Proposed Conditions").

(“ALECs”) providing local telephone services to hundreds of thousands of residential consumers throughout the United States.^{2/} NALA members provide local telephone service to residential consumers unwanted by traditional telephone companies. These consumers are unwanted because they may have poor credit histories, cannot provide a security deposit, had telephone service disconnected in the past, have past due balances, or lack sufficient identification. In many cases, the service provided by NALA members offers the only option for local phone service, including access to 911 emergency service, for millions of American consumers.

The only economically feasible way for NALA members to provide this service is to resell the flat-rate local services offered by the ILECs, including Bell Atlantic and GTE. Unlike other resellers that compete with ILECs for customers, NALA members actually increase the volume of traffic routed over ILEC networks by serving customers who would not otherwise have telephone service. Too often, however, as discussed in more detail below, ILEC actions and inactions have created significant obstacles for NALA members. If NALA members are to continue to provide service to this unserved segment of the population in the Bell Atlantic/GTE region, the FCC must act consistently with the suggestions listed below.

I. The Commission Should Require Bell Atlantic/GTE to Offer a Resale Discount of 50-60%

The present discount levels offered in the Bell Atlantic/GTE region, which vary from 12

^{2/} NALA consists of the following members: Cellular Rentals, Inc.; 1-800-RECONEX, Inc.; USA Telecom; EZ Talk Communications, L.L.C.; First Line Communications; CCI Telecom; Southwest Teleconnect; Spartan Communications Corporation; Comm South Companies, Inc.; Telcom Plus; Local Line America; ANNOX; One Point; Pre-Tell Communications; and Phones For All.

to 19 percent, are far too low for carriers to make a profit.^{3/} By analogy, resellers of paging services often enjoy resale discounts of as much as 60 percent. Resellers of local services cannot sustain a profit with such slim margins given their significant accounting, auditing, billing, and marketing expenses. Accordingly, NALA urges the Commission to require Bell Atlantic/GTE to offer a resale discount in the 50-60 percent range and to ensure that this discount level continues indefinitely.^{4/}

II. The Commission Should Require Bell Atlantic/GTE to Waive OSS Charges

NALA urges the Commission to require Bell Atlantic/GTE to waive charges for use of its standard electronic interface for accessing OSS as a condition for approval of the merger. Access to OSS is crucial for successful operations of ILEC resellers and should be encouraged.^{5/} Accordingly, NALA submits that the Commission should require Bell Atlantic/GTE to waive OSS charges indefinitely.

III. The Commission Should Require Bell Atlantic/GTE to Resell Blocking of Directory Assistance and Directory Assistance Call Completion

NALA members provide local phone service to those customers who primarily have had their local exchange service terminated for nonpayment of their telephone bills. Because the service is prepaid, it is important that the cost of the service to the consumer does not change each month. Thus, prepaid local providers must block all services that could result in per call or

^{3/} See Ken Branson, Is Local Resale a Sinking Ship?, Phone Plus, May 1999; Ernest B. Kelly III, Realizing Their Own Worst Nightmare, Phone Plus, May 1999.

^{4/} SBC and Ameritech have proposed a 32% resale discount. See SBC/Ameritech Proposed Conditions at par. 47.

^{5/} SBC and Ameritech have proposed a three-year waiver of such charges; NALA has requested a permanent waiver. See Comments of NALA, CC Docket No. 98-141, at 3-4.

per minute charges, including toll,^{6/} operator services, information services, directory assistance (“DA”), and DA call completion.^{7/}

Bell Atlantic provides a service that blocks some but not all of the services for which prepaid local providers require blocking. For example, Bell Atlantic does not block directory assistance throughout its service territory.^{8/} In February 1999, NALA requested that Bell Atlantic develop a product or service functionality throughout Bell Atlantic’s territory that would allow resellers to block their customers’ access to directory assistance (and, consequently, DA Call Completion).^{9/} In response, Bell Atlantic told NALA that it had “no plans” to develop such a product because of economics, demands on internal resources, and because it had no legal obligation to provide such a service.^{10/}

Bell Atlantic initially suggested that NALA members implement Bell Atlantic’s

^{6/} Customers of prepaid local service providers make long distance calls by using calling cards or other services that rely on access through toll-free numbers.

^{7/} DA Call Completion service permits a caller to obtain a phone number and, for an additional charge, be connected to that number, which in some cases results in a toll call.

^{8/} Bell Atlantic offers DA blocking in its northern region--the former Nynex states such as New York--but not in the original Bell Atlantic states, which is now known as Bell Atlantic-South. Thus, there is no question that DA blocking is technically feasible.

^{9/} See Exhibit A.

^{10/} See Exhibit B. NALA notes that the inability to block outgoing toll calls using DA call completion may render an ILEC ineligible for universal service support. The ability to block all outgoing toll calls--regardless of the manner in which those calls are completed--is consistent with a federal universal service policy that promotes toll blocking for Lifeline customers. In order to receive federal universal service support, a carrier must offer each of the services identified in Section 54.101(a) of the FCC’s Rules, including toll limitation services, to qualifying low-income consumers. 47 C.F.R. § 54.101(a). Nothing in the FCC’s definitions of “toll blocking,” “toll control,” or “toll limitation” confines those terms to calls that begin with 1+, 0+, 0, or an access code such as 10-10XXX. 47 C.F.R. § 54.400.

Customized Routing Service for Operator Services and Directory Assistance in order to route calls from customers of NALA members to an alternate operator services provider. This alternative was unacceptable to NALA members because it would have required implementing hundreds of switching stations and voice messaging. Further, implementing Bell Atlantic's Customized Routing Service would result in NALA members accruing recurring and nonrecurring charges in addition to the rates charged by the alternate operator services providers. NALA members concluded that it would be more cost-effective to allow its customers to make DA calls, knowing they may not recover (but would still be liable to the ILECs for) these charges, than to implement Bell Atlantic's Customized Routing Service.

NALA members subsequently met with Bell Atlantic to further discuss DA blocking, explaining that NALA was prepared to file a complaint with the Pennsylvania Public Utilities Commission if the matter was not resolved. In response, Bell Atlantic proposed to implement DA blocking in its southern region for a \$100,000 up front fee plus a monthly charge of \$2.00 per line. This product would be not be available for six to nine months. NALA members rejected the proposal because of the exorbitant, non-cost-based charges.^{11/}

Accordingly, NALA urges the Commission to require Bell Atlantic/GTE to offer blocking of DA and DA call completion at cost-based rates to resellers throughout its region. Such a requirement will enable NALA members to continue to provide prepaid local services to those customers cut off from the Bell Atlantic/GTE network.

IV. The Commission Should Require Bell Atlantic/GTE to Offer Resellers a Flat-Rate Local Service Option in All of Its Markets

Prepaid local carriers provide service by reselling the ILECs' flat-rate local service and

^{11/} See Exhibit C.

blocking all usage-based calls. In a number of markets, however, subscribers of flat-rate local service may still incur usage-based charges by making local calls outside of their local calling area.^{12/} For example, in Philadelphia and Pittsburgh, Bell Atlantic offers Metro Band Calling as part of its unlimited local service package, which enables customers to make usage-sensitive metropolitan area regional toll or inter-zone toll calls.^{13/} Bell Atlantic offers a similar service in Boston.^{14/} These calls circumvent Bell Atlantic's toll blocking service.

NALA has requested that Bell Atlantic develop a toll restriction product or service functionality that could be purchased by resellers to restrict end users' access to metropolitan area regional toll and inter-zone calls in Philadelphia, Pittsburgh, and Boston.^{15/} Despite NALA's requests and evidence that metro market toll restriction products are available in other major metropolitan cities throughout the country, including Houston, Dallas, and Atlanta, Bell Atlantic has been unwilling to develop such a product or service functionality.^{16/}

NALA has reason to believe that Bell Atlantic offers such a toll restriction product in Baltimore and the District of Columbia, and that Bell Atlantic is able to restrict access to metro

^{12/} In New York City, Bell Atlantic does not offer a flat-rate telephone service at all, making prepaid local service nearly impossible to provide in the metropolitan area with likely the greatest need for the service.

^{13/} NALA understands that GTE offers a similar service in Tampa, FL.

^{14/} NALA members rebill their customers for these calls, however, customers rarely pay such charges. NALA members, however, remain responsible to pay the ILEC for such calls.

^{15/} See Exhibits D and E.

^{16/} See Exhibit F. As noted earlier, NALA members met with Bell Atlantic to discuss the expansion of its blocking services. In response to the metro market problem, Bell Atlantic proposed to implement a toll restriction product within six to nine months. Similar to DA blocking, Bell Atlantic's offer included a \$100,000 up front fee plus a monthly charge per line. NALA members rejected this proposal as well.

market calling in Philadelphia, Pittsburgh, and Boston, on an as needed basis, to curtail its own customers who have incurred significant past due toll charges. Pursuant to Section 251(c)(4) of the Act, incumbent local exchange carriers must offer for resale "any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers."^{17/}

Accordingly, if Bell Atlantic provides the aforementioned service to its retail customers, it must also offer the same service to NALA members. NALA urges the Commission to require Bell Atlantic/GTE to offer a service that blocks such usage-based local calls. The Commission should also, in cooperation with the New York Public Service Commission, encourage Bell Atlantic to offer a flat rate local calling plan in New York City.

V. The Commission Should Require Bell Atlantic/GTE to Offer Free Toll Blocking

Bell Atlantic's current charges for toll blocking range from no charge in Pennsylvania to \$10.55 per month in New Jersey. Such a disparity in rates indicates that Bell Atlantic's charge for toll blocking in New Jersey is not cost based. Because of the importance of toll blocking--both to the prepaid local services industry and for the promotion of universal service--NALA urges the Commission to require Bell Atlantic/GTE to provide toll blocking service at no charge to resellers throughout its region.

VI. The Commission Should Require Bell Atlantic/GTE to Commit to Eliminating Delays and Errors in Connecting New Customers

Speed and accuracy in provisioning service to new customers is crucial in a competitive marketplace. Because most customers do not have knowledge of the relationship between a reseller and its underlying carrier, the customer attributes any delays and errors in provisioning service to the reseller. Listed below are some of the problems NALA members have endured

^{17/} 47 U.S.C. § 251(c)(4).

when Bell Atlantic is their underlying carrier. NALA urges the Commission to require Bell Atlantic/GTE to remedy these problems as a condition for approval if its merger.

It takes Bell Atlantic one to two weeks to initiate service for a reseller's customers if the order is sent by facsimile or overnight mail, and often five to seven days if the order is placed electronically.^{18/} This delay often results in the reseller's customer asking for a refund. In many cases, orders are improperly processed. In particular, NALA members have experienced problems with Bell Atlantic's frequent error of not activating toll blocks on accounts. This error permits prepaid customers to make toll calls which are not part of the prepaid local service offering, and the charges for which are often not paid by customers.

NALA members have also experienced particular problems with ILECs who miss appointments to connect service to new customers. Bell Atlantic not only requires resellers to order a new due date if the ILEC misses the original appointment, but often charges the reseller for both the original order and the reorder. At times, Bell Atlantic has actually activated service for both the initial and second orders and then charged the reseller for a primary and a second line.

When a reseller requests that Bell Atlantic initiate service to a new customer, Bell Atlantic maintenance personnel are dispatched to the dwelling of the new customer. Too often, Bell Atlantic personnel engage in inadequate testing and installation of the Network Interface Device ("NID"). In some cases, there may be more than one line to the home and the second line is activated though the jacks in the house are wired to the primary jack. As a result, NALA members must bear the cost of requesting a second visit to the customer's premise from the Bell Atlantic personnel. Conversely, if Bell Atlantic dispatches its field maintenance personnel to

^{18/} Bell Atlantic will turn on service for its own customers in five days or less.

correct NID connection problems for one of its own customers, Bell Atlantic does not charge its customer for the cost of the second visit.

Further, Bell Atlantic and other ILECs have also adopted the practice of ensuring that service is provided only up to the NID. Bell Atlantic will not ensure that the phone rings in the reseller's customer's home when initiating service. With respect to its own end user customers, however, installation is not complete until Bell Atlantic ensures that the phone rings in the end user's home. This presents a parity problem, in that the reseller's customer does not get the same level of service as the ILEC's customer.

VII. The Commission Should Require Bell Atlantic/GTE to Resell Voice Mail Services

The growth of competition in the local exchange market has been impeded by resellers' inability to resell ILEC voice mail service. Some State PUCs have ruled that voice mail is not a "telecommunications service" and, therefore, is not subject to the resale requirements of Section 251(c)(4) of the Act.^{19/} The issue of whether ILECs must resell voice mail service is currently the subject of a proceeding before the FCC.^{20/}

Without voice mail, competitive local carriers cannot offer potential customers the same package of services ILECs offer. Even if voice mail is not subject to the resale requirements of the Act, however, it makes plain business sense for ILECs to resell voice mail to prepaid local

^{19/} See, e.g., Complaint of RCN Telecom Services of Massachusetts, Inc., D.T.E. 97-101 (Mass. Dep't of Telecommunications & Energy, 1998); MCI Telecommunications Corp., 1997 Ill. PUC LEXIS at 40 (Feb. 5, 1997); Petition for Arbitration of an Interconnection Agreement Between AT&T Communications of the Pacific Northwest, Inc. and US West Communications, Inc., 1997 Wash. LEXIS 49 (July 11, 1997); Petition of MCI Telecommunications and MCImetro Access Transmission Services of Virginia, Inc., Case No. PUC960113 (Va. Corp. Comm., May 8, 1997).

^{20/} See Public Notice, "Petition for Declaratory Ruling of the Telecommunications Resellers Association," DA 98-520 (March 17, 1998).

carriers. By making voice mail available through resellers to customers the ILECs would not otherwise serve, ILECs would receive revenues they would not otherwise enjoy. NALA urges the FCC to require Bell Atlantic/GTE to resell voice mail services throughout their service territories as a condition for approval of the merger.

VIII. Bell Atlantic/GTE Must Commit to Reform Its Billing Processes

Many NALA members have encountered considerable problems with the billing practices of Bell Atlantic and GTE. When a NALA member requests that Bell Atlantic or GTE suspend or disconnect a customer's service due to nonpayment, then Bell Atlantic/GTE should stop billing for service to that customer beginning immediately after such request. In many cases, however, Bell Atlantic/GTE continues to charge the NALA member for service until the ILEC actually performs the suspension or disconnection, which may be days later. Accordingly, NALA urges the Commission to require Bell Atlantic/GTE to stop charging resellers for service to a customer from the time the reseller requests suspension or discontinuance of service to that customer.

IX. Bell Atlantic/GTE Must Commit to Improve Its Dispute Resolution Processes

The resale agreements NALA members have with Bell Atlantic and GTE have detailed dispute resolution procedures. Like most ILECs, however, Bell Atlantic and GTE permit disputed charges to linger for months, and even years, without resolution. As a result, the reseller's outstanding balance grows on a monthly basis while it accrues late fees.

Bell Atlantic's own "Resale Handbook" states that disputes "are handled as promptly as possible" and that Bell Atlantic will indicate an "expected date for resolution" for disputes that cannot be resolved within thirty days.^{21/} Bell Atlantic has not been following its own stated practices. NALA urges the Commission to require Bell Atlantic/GTE to resolve billing disputes

^{21/} See Exhibit G.

with resellers in a timely fashion, preferably within 60 days of when Bell Atlantic/GTE is notified of such dispute.

X. The Commission Should Require Bell Atlantic/GTE to Post Its Local Tariffs on the Internet

NALA members have become frustrated with their inability to have simple questions answered in a timely fashion by the representatives of Bell Atlantic and GTE. Often, these questions may be answered by referring to Bell Atlantic's or GTE's local tariff. NALA requests that the FCC require Bell Atlantic and GTE post their current local tariffs on the Internet as a condition for approval of their merger.^{22/} Such a requirement will enable resellers to have easy access to Bell Atlantic/GTE local tariffs, thus eliminating the need to rely on Bell Atlantic/GTE representatives for vital information.

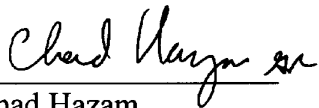
^{22/} NALA notes that the FCC has recently required nondominant interexchange carriers to post the rates, terms, and conditions governing their services on the Internet. See Policy and Rules Concerning the Interstate, Interexchange Marketplace, Second Order on Reconsideration and Erratum, CC Docket No. 96-61, FCC 99-47 (rel. March 31, 1999). The FCC has also required incumbent local exchange carriers with web sites to post their Part 61 tariffs on the Internet. See 1998 Biennial Regulatory Review--Part 61 of the Commission's Rules and Related Tariffing Requirements, Report and Order and First Order on Reconsideration, CC Docket No. 98-131, CC Docket No. 96-187 (rel. August 3, 1999).


Conclusion

Therefore, based on the foregoing, NALA urges the Commission to act in a manner consistent with the views expressed in these Comments.

Respectfully submitted,

NATIONAL ALEC ASSOCIATION


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August 10, 1999

Exhibit A

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February 17, 1999

Via Facsimile (914) 422-0919 and Regular Mail

Ms. Georgene Horton
Director - Account Management Resale Services
Bell Atlantic Network Services
222 Bloomingdale Road
Room 247
White Plains, New York 10605

Dear Ms. Horton:

We are writing on behalf of our client, Mid-Atlantic Associations of ALECs ("MAA"), to request the development of a product or service functionality throughout the Bell Atlantic territory that would allow resellers of Bell Atlantic's local exchange services to block their end-user customers' access to directory assistance (i.e., "411" and "555-1212" calls). As you are aware, MAA members provide resold local exchange services to high-risk end-user customers that typically have been disconnected by Bell Atlantic for nonpayment of long distance charges. In order to provide local exchange services to these customers at a reasonable price, MAA members must be able to effectively block their customers from incurring any usage-based charges, including charges associated with directory assistance. The problem is exacerbated when, after obtaining the telephone number from directory assistance, the customer chooses to have Bell Atlantic complete the call, incurring charges in addition to those for directory assistance.

Currently, it appears that carrier-controlled, directory assistance blocking is not available throughout the Bell Atlantic region. Bell Atlantic's Voluntary Toll Restriction Option does not block directory assistance. Bell Atlantic's Call Gate Service could be used to block directory assistance, but the service is controlled by the end-user, not the carrier. Accordingly, neither of these blocking options adequately address the service needs of MAA members.

MAA believes that a carrier-controlled, directory assistance blocking service would mutually benefit both resellers and Bell Atlantic. Directory assistance blocking promotes the goals of universal service by increasing the potential for widespread telephone subscribership, and is also fully consistent with the regulatory policies of the FCC and the state commissions. Indeed, most of the major LECs throughout the country, including those with service territories

Ms. Georgene Horton

February 17, 1999

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in the mid-Atlantic region provide directory assistance blocking. Moreover, it is our understanding that Bell Atlantic offers directory assistance blocking in parts of its northern region. Accordingly, because Bell Atlantic possesses the technical ability to provide this service, it should not be difficult or costly to implement directory assistance blocking throughout the Bell Atlantic region.

MAA would like to work with Bell Atlantic to develop a directory assistance blocking service, but time is of the essence. We therefore ask that you contact the undersigned as soon as possible so that we may begin the process.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Richards", written in a cursive style.

Glenn S. Richards

cc: Michael Daly (via facsimile)
Chad Hazam (via facsimile)

J:\DATA\CLIENT 60 6068 HORTON.001

Exhibit B

Bell Atlantic Network Services, Inc.
Two Bell Atlantic Plaza
1320 N. Court House Road, 8th Fl.
Arlington, VA 22201
Voice: 703 974-3940
Fax: 703 974-0665
Internet: steven.h.hartmann@bellatlantic.com

Steven H. Hartmann
Counsel



March 23, 1999

Via Facsimile and U.S. Mail

Glenn S. Richards
Fisher Wayland Cooper Leader & Zaragoza L.L.P.
Suite 400
2001 Pennsylvania Avenue, N.W.
Washington, DC 20006-1851

Dear Mr. Richards:

Given our recent telephone discussions about the topic, I am responding to your letter to Georgene Horton dated February 17, 1999, on behalf of the Mid-Atlantic Associations of ALECs (MAA), in which you request that Bell Atlantic (BA) provide resellers with the ability to block end-users' access to directory assistance (411).

As you correctly note in your letter, there is no product available in the BA South states that allows carrier-controlled blocking of directory assistance calls by end users. Moreover, after considering this issue, including both the economics and the competing demands on internal resources, Bell Atlantic has no plans, at least at present, to develop and implement such a product in the BA South states.

In your letter, you state that the requested blocking service is "fully consistent with" the policies of the FCC and the state commissions, but you stop short of asserting that BA has any legal obligation to create this service, and I am aware of no such obligation. If you believe otherwise, please indicate the basis for such obligation, so that we can consider the matter further.

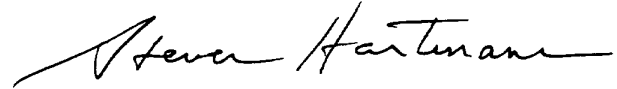
A potential alternative is for MAA members to implement BA's Customized Routing Service for Operator Services and Directory Assistance to an alternate operator services provider. Using this service, a reseller can control all end-user access to operator and directory assistance services. The rates and charges for the BA portion of the Customized Routing Service are set forth in Bell Atlantic's various SGATs, tariffs and/or specific customer Resale Agreements. If

Glenn S. Richards
March 23, 1999
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the Customized Routing Service sounds like it may be a viable alternative, Georgene Horton, at 914-644-4887, can arrange a meeting to discuss it in more detail.

Feel free to give me a call if you'd like to discuss these issues further.

Sincerely,

A handwritten signature in black ink, reading "Steven H. Hartmann". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Steven H. Hartmann

cc: G. Horton

Exhibit C

NALA
NATIONAL ALEC ASSOCIATION

August 3, 1999

Barbara Crawford
Director-Resale Product Department
Bell Atlantic Network Services
125 High Street, Room 658
Boston, MA 02110

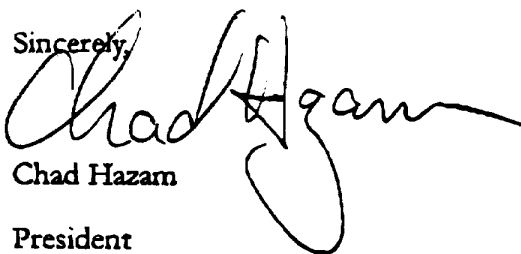
Dear Barbara:

I am in receipt of your letter of July 29, 1999 concerning the requested call blocking services. As an initial matter, you are correct that NALA rejected Bell Atlantic's initial proposal because of the large up front payment and the restricted availability of the offering. As you aware, however, you rejected our counterproposal for service that is generally available, (non privatized) without any up-front payment and a reasonable, recurring monthly line charge would which would permit Bell Atlantic to recover any costs it incurs in the development and implementation of the blocking service.

Our proposal remains on the table and we welcome the opportunity to continue our discussions. Many NALA members believe, however, that we must file our complaint with the Pennsylvania PUC to keep Bell Atlantic negotiating in good faith. Notwithstanding, I am willing to hold off filing the complaint if Bell Atlantic is willing to make an offer that is in line with the NALA counterproposal. Please contact me as soon as possible if there is any change in Bell Atlantic's position.

I look forward to your response.

Sincerely,



Chad Hazam

President

CC: NALA Members

Glen Richards-Fisher Wayland

Bell Atlantic Network Services
125 High Street
Room 658
Boston, MA 02110
617 743-2040 Fax 617 342-9505

Barbara A. Crawford
Director - Resale Product Development
Telecom Industry Services



July 29, 1999

CHAD Hazam
NALA

Dear Chad,

I was very disappointed to hear of NALA's rejection of Bell Atlantic's offer to provide the requested call blocking services discussed in concept at our June 22, 1999 meeting. The harmonious atmosphere of the meeting conveyed the indication that Bell Atlantic was on target with both the service description concepts and implementation.

As you know, Bell Atlantic is under no legal obligation to provide the requested call blocking services. However, as a result of your positive reaction in our meeting, we were looking forward to getting back together with you to further discuss the details of how Bell Atlantic would be able to meet your needs in a mutually agreeable manner. It is quite unfortunate that NALA has chosen to turn away from negotiation and feels it has to move to litigation to obtain services that Bell Atlantic has already agreed in principle to provide.

In any event, Chad, I want you to know that Bell Atlantic stands ready to resume discussions with NALA regarding this issue, at any time that is mutually agreeable to the participants.

Sincerely

Barbara Crawford

A handwritten signature in cursive script, appearing to read "Barbara A. Crawford".

cc: Jonathan Smith
Georgene Horton
Julius Bradley
Jeffrey Boichot
Marcel Bryar
Joyce Spencer
Julia Conover

Exhibit D

FISHER WAYLAND COOPER LEADER & ZARAGOZA L.L.P.

2001 PENNSYLVANIA AVENUE, N.W.

SUITE 400

WASHINGTON, D. C. 20006-1851

TELEPHONE (202) 659-3494

JAQUALIN FRIEND PETERSON

(202) 775-3534

FACSIMILE

(202) 296-6518

INTERNET

jpeterson@fwclz.com

September 17, 1998

Via Facsimile (703) 974-2183

Mr. Michael Daly
Bell Atlantic
1320 North Courthouse Road
Second Floor
Arlington, VA 22201

Re: Metro Market Toll Restriction Proposal

Dear Mr. Daly:

On June 25, 1998, our client, Mid-Atlantic Associations of ALECs ("MAA"), submitted a proposal to Bell Atlantic for the development of a toll restriction product, which could be purchased for resale by alternate local exchange carriers ("ALECs") to restrict customer access to certain metro market calling areas within the cities of Philadelphia and Pittsburgh (hereinafter "the Proposal"). We understand the same problem exists in Boston. A copy of the Proposal is attached hereto. Despite MAA's representation in the Proposal that member ALECs would purchase the product, if made available to them at a reasonable cost, and persuasive evidence that the product is technically feasible, easy to employ and would be profitable to Bell Atlantic, MAA has yet to receive Bell Atlantic's response to the Proposal.

MAA believes that the Proposal is mutually beneficial and that it is in the best interests of both parties to work together to develop a satisfactory product. MAA also believes that this product is in the public interest because it promotes the goals of universal service by increasing customer access to reasonably priced local telephone service. For these reasons, MAA is willing to engage in a dialogue with Bell Atlantic and to provide it with relevant customer and/or market data. More importantly, member ALECs are willing to negotiate reasonable compensation, on a per line basis, for the product once it is developed by Bell Atlantic.

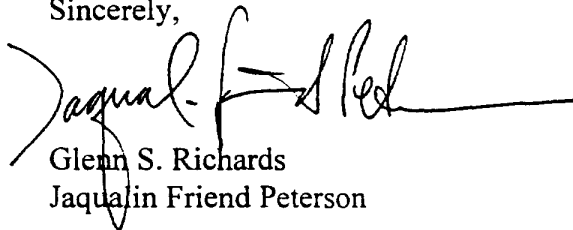
Notwithstanding the foregoing, MAA will take whatever action is necessary to ensure implementation of this product. The unavailability of such product is a significant barrier to our ability to provide service to our customers in Pennsylvania and Massachusetts, given that Philadelphia, Pittsburgh and Boston are the largest metropolitan areas in these states. Low-income individuals are particularly disadvantaged by the absence of this service because of the

Mr. Michael Daly
September 17, 1998
Page 2

cost that is incurred to purchase service throughout an entire metro market. MAA notes that metro market toll restriction products are available in other major metropolitan cities throughout the country, including Houston, Dallas and Atlanta. Moreover, MAA has reason to believe that Bell Atlantic offers such a product in its own region in Baltimore and the District of Columbia, and that Bell Atlantic has been able to restrict access to metro market calling in Philadelphia, Pittsburgh and Boston, on an as needed basis, to deal with its own customers who have incurred significant toll charges which are unpaid. Pursuant to Section 251(c)(4) of the Telecommunications Act of 1996, 47 U.S.C. § 251(c) (4), incumbent local exchange carriers must offer for resale "any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." Accordingly, if Bell Atlantic provides the aforementioned service to its retail customers, it must also offer the same service to MAA's member ALECs.

While MAA would prefer to work with Bell Atlantic to develop this product, we will take whatever action is necessary to resolve this problem. Accordingly, we request your immediate attention to this matter and a response to the Proposal by October 1, 1998.

Sincerely,

A handwritten signature in black ink, appearing to read "Jaqualin Friend Peterson", with a long horizontal flourish extending to the right.

Glenn S. Richards
Jaqualin Friend Peterson

Counsel for Mid-Atlantic Associations of ALECs

Enclosure

cc: Chad Hazam

J:\DATA\CLIENT\60\6068\DAILEY.001

Exhibit E

Mid-Atlantic Associations of ALECs

525 s. 29th Street
Harrisburg, PA 17104
(717) 564-0603
(717) 564-9429

June 25, 1998

Barbara Crawford - Director of Resale Product Development
Georgine Horton - Account Manager
Mike Daly - Head of CLEC Negotiations & Regulatory Compliance
Bell Atlantic

Re: Metro Market proposal for Philadelphia & Pittsburgh areas.

Dear Barb, Georgine, & Mike,

We believe that we, as a group, can generate tens of thousands of lines of business for both Bell Atlantic and ourselves in these two cities over the next two years. Bell Atlantic would need to toll restrict the customer from calling between metro markets (within a city) when we toll restrict the customer from placing collect and long distance calls. We believe from conversations with past Bell customers that Bell indeed has this ability and has done this with customers who have had severe credit problems with Bell in these cities. If Bell does this for it's own problem customers, we would like to be able to request this service for our customers.

Currently, to effectively block our customers from incurring a toll, we must purchase and resell the entire metro market area in these two cities. This can more than double our costs. In some cases it triples our cost. By the time we try and turn a profit through our mark up we have priced the service out of the reach of our target customer. Our customer, in general, is the customer Bell has disconnected and no longer services. We charge \$39.95 for a service that you charge only \$14.00. We offer Bell a way to make money on these customers once again without the risk and hassle of non-payment. We can increase Bell's lines by well over 100,000 customers and Bell will only send a handful of bills.

After contacting each member of our group, I have put together what each member believes he will do in these towns if the Metro Market problem can be successfully overcome. I have done this in graph form. I also have shown a total of all members together. I must point out that these customers not only purchase local unlimited calling, but also two or more options each. This represents approximately \$20.00 of revenue to Bell, per customer we sign up. By signing up 50,000 customers we will generate \$1,000,000.00 of additional revenue for Bell Atlantic per month. That's 12million dollars per year.

These numbers are realistic based on what has been done in other states with Southwestern Bell and Bell South Companies over the past 1 ½ years. At \$20.00 of revenue per customer to Bell (excluding connection fee) Bell could stand to earn up to 3.5 million dollars of additional revenue per month. That is 42 million per year plus a \$40.00 connection fee on 176,000 customers. Bell would also earn restoral fees at a high frequency on the credit-challenged customers we target. Other services such as change of telephone numbers and change of address are very frequent among our customers. These four items together might total as much as an additional \$8,000,000.00 per year into Bell's pockets. Can Bell afford to ignore this type of revenue? I hope not. These figures are based on 5 companies. I'm sure that other ALECs who have recently called me will plan to enter the market once the Metro Market problem is cleared away.

In conclusion, we see Bell and ourselves as business associates who can mutually benefit each other. We believe we can be a win win combination. We are willing to work with Bell and it's associates to make this goal a reality.

Sincerely,

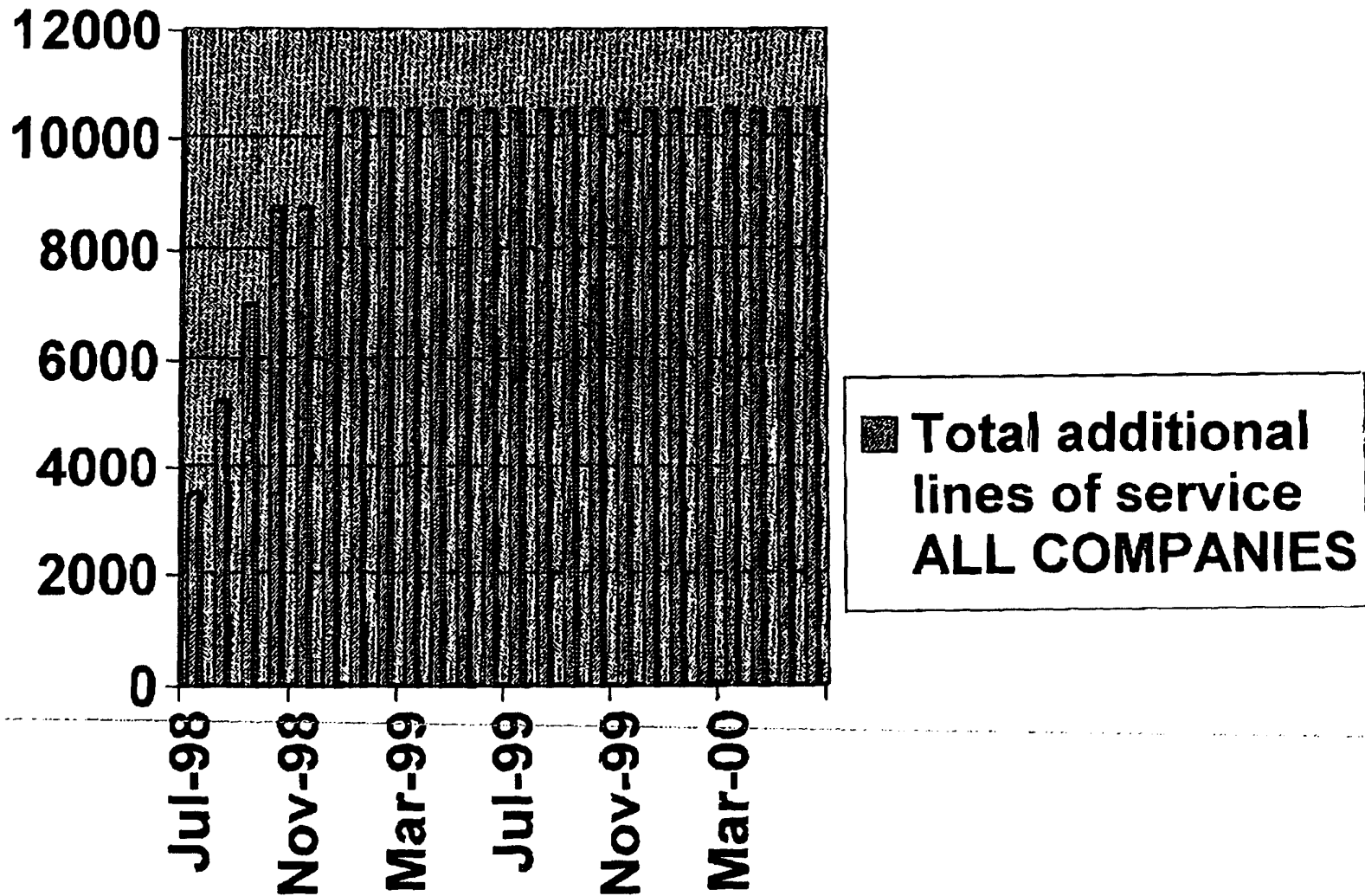
Chad Hazam
President MAA

CHaf

MAA

Additional business conducted in Philadelphia & Pittsburgh
Metro Area through June of 2000

Additional lines of service

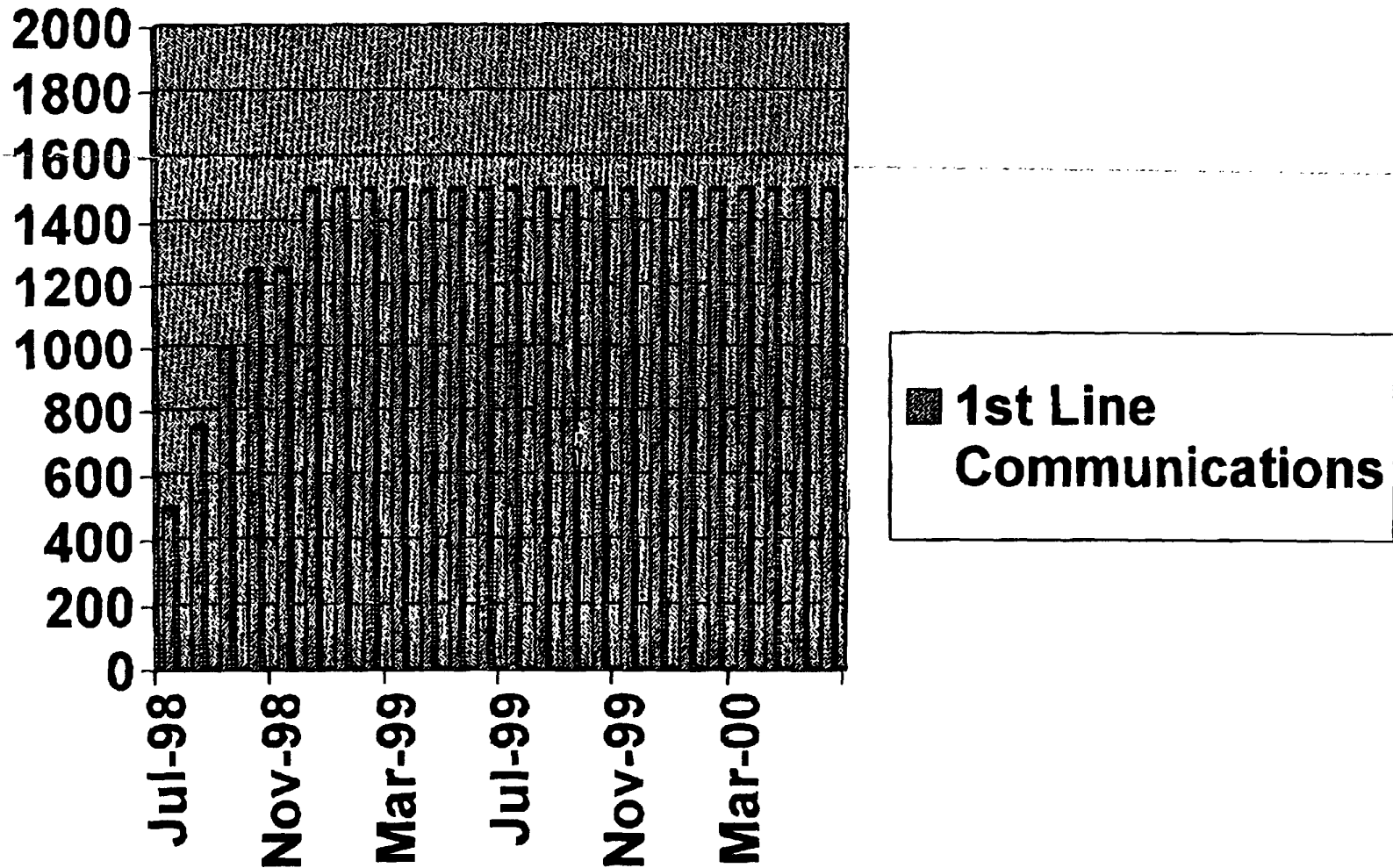


Total after year 1 – 85,750
Total after year 2 – 176,750

1st LINE COMMUNICATIONS

Additional business conducted in Philadelphia & Pittsburgh
Metro Area through June of 2000

Additional lines of service

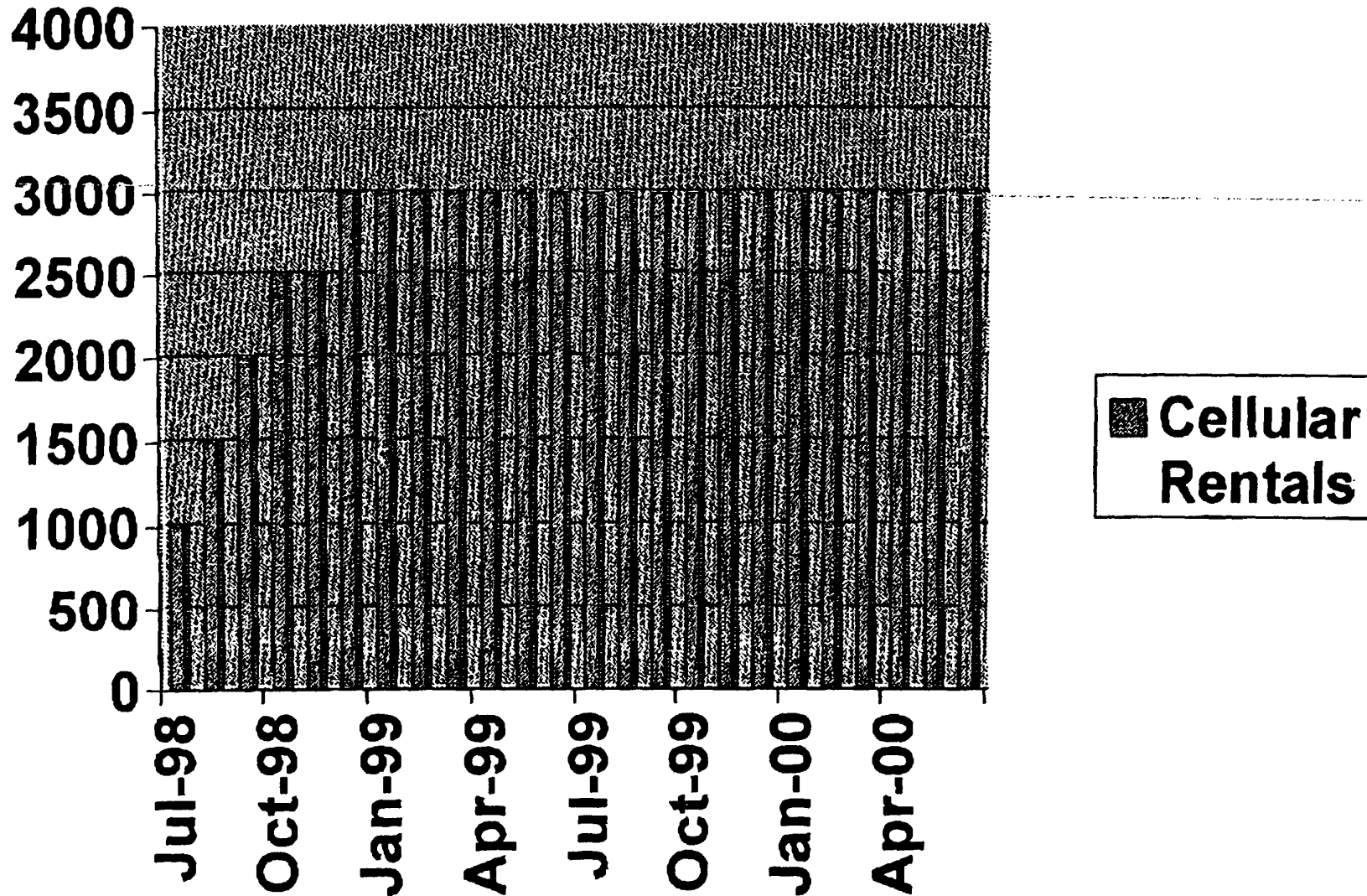


Total after year 1 – 12,250 lines
Total after year 2 – 25,250 lines

CELLULAR RENTALS

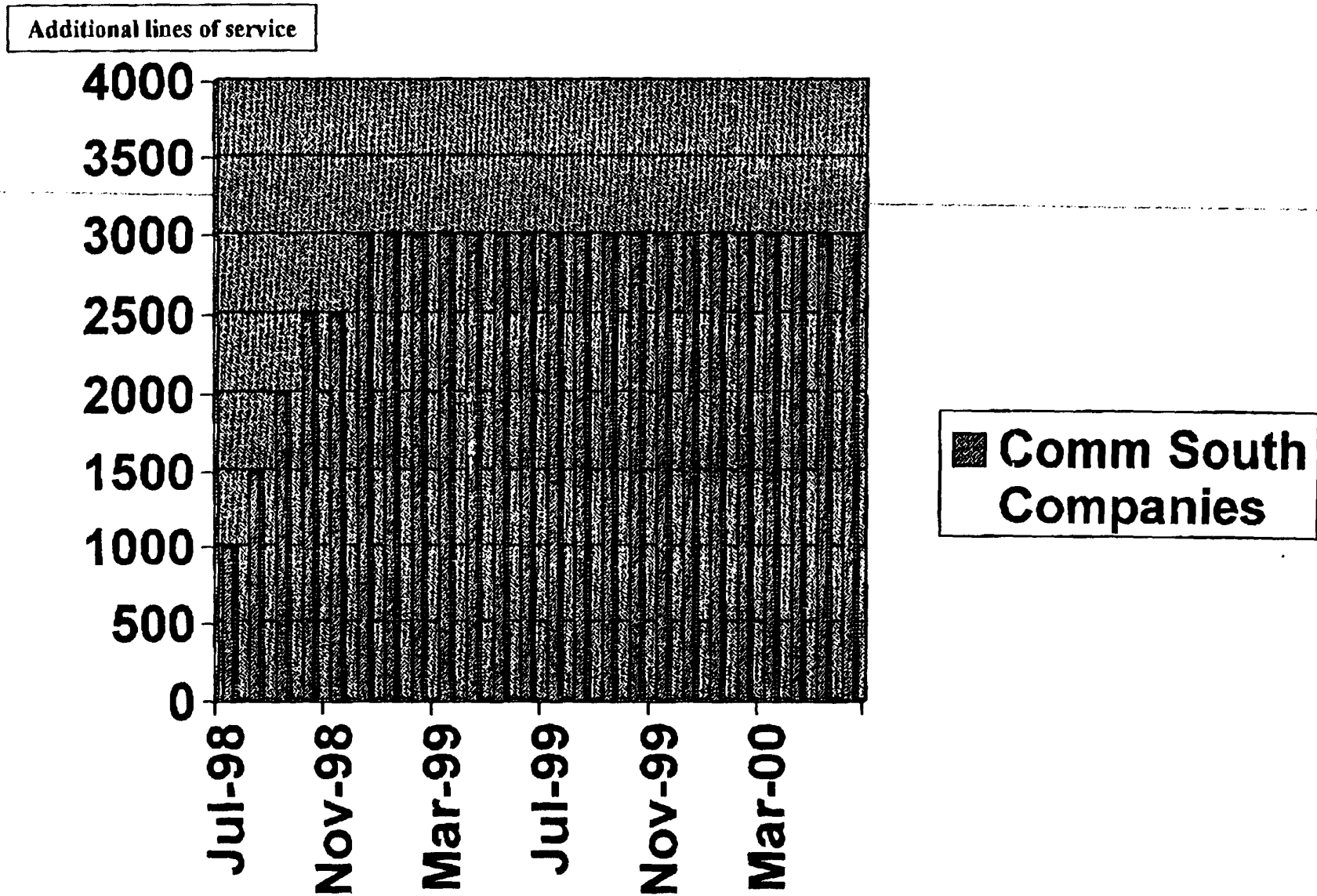
Additional Business conducted in Phil & Pitts Metro Area
Through June of 2000

Additional lines of service



Total after year 1 – 24,500 lines
Total after year 2 – 50,500 lines

COMM SOUTH COMPANIES
Additional business conducted in Philadelphia & Pittsburgh
Metro Area through June of 2000

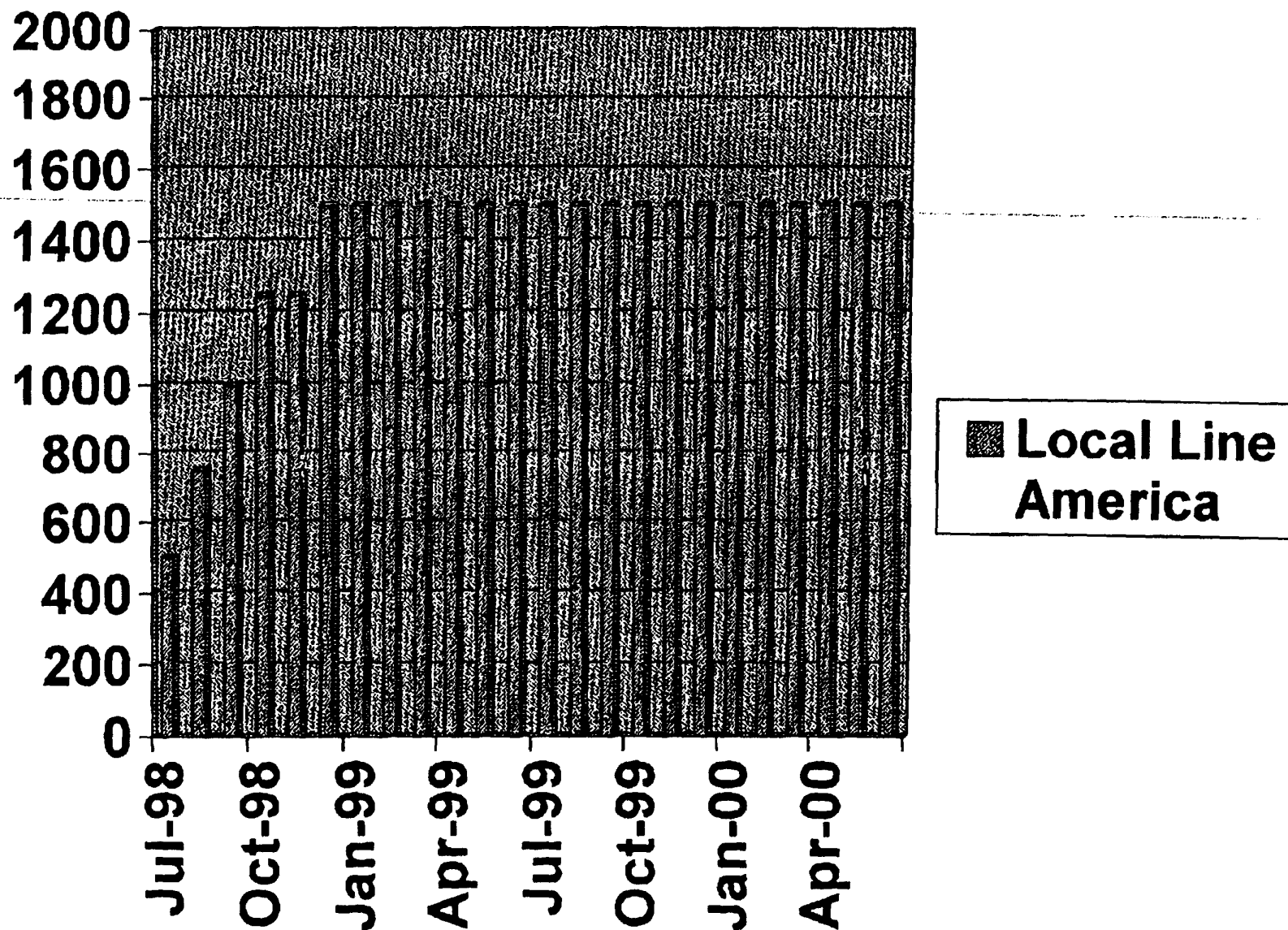


Total after year 1 – 24,500 lines
Total after year 2 – 50,500 lines

LOCAL LINE AMERICA

Additional business conducted in Philadelphia & Pittsburgh
Metro Area through June of 2000

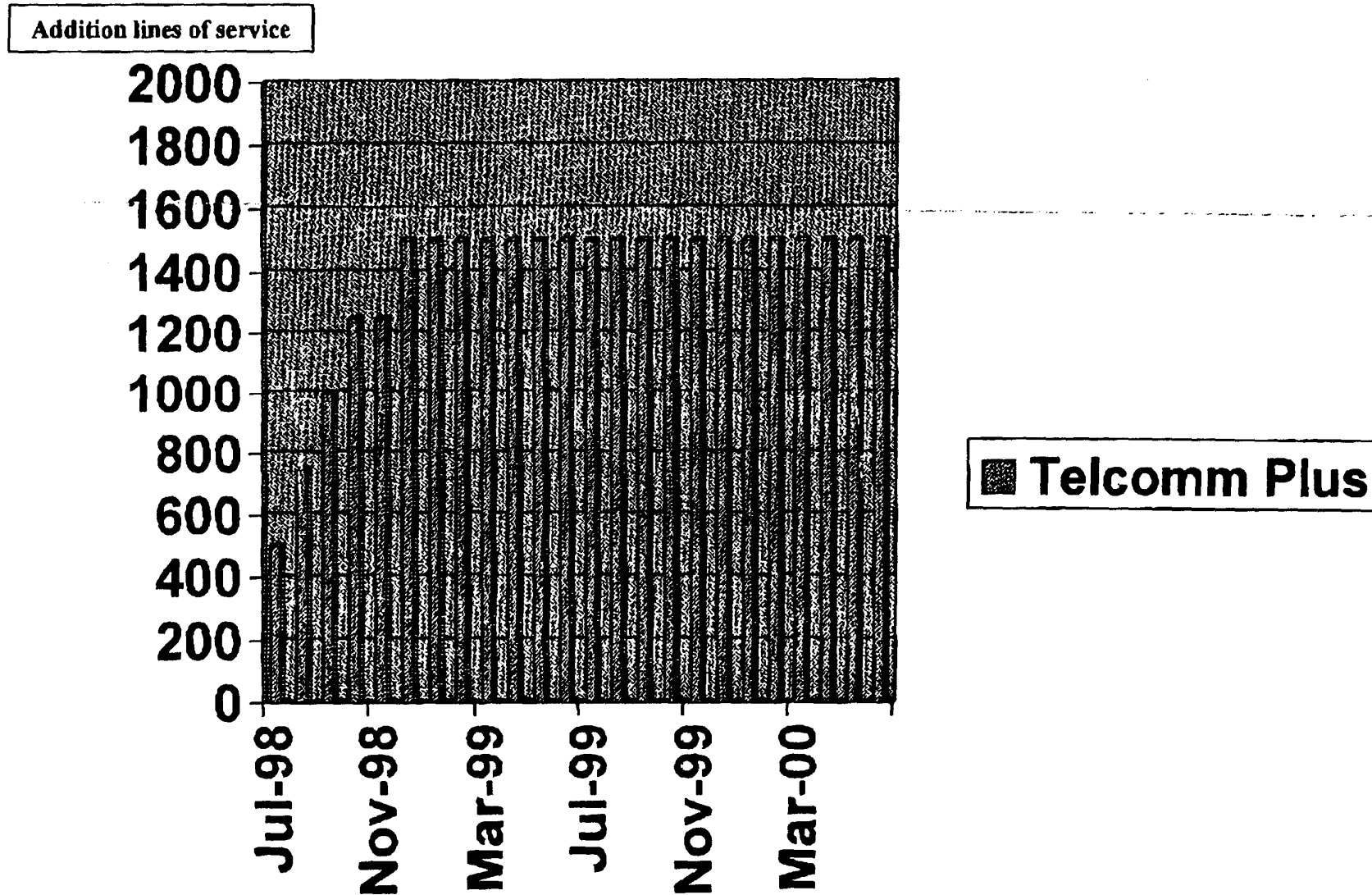
Additional lines of service



Total after year 1 – 12,250 lines
Total after year 2 – 25,250 lines

TELCOMM PLUS

Additional business conducted in Philadelphia & Pittsburgh
Metro Area through June of 2000



Total after year 1 – 12,250 lines

Total after year 2 – 25,250 lines

Exhibit F

Bell Atlantic Network Services
222 Bloomingdale Road
Room 247
White Plains, NY 10605
914 644-4887 Fax 914 422-0919

Georgene Horton
Director - Account Management Resale Services
Telecom Industry Services



September 25, 1998

Fisher, Wayland, Cooper, Leader & Zapagoza
2001 Pennsylvania Avenue, N.W.
Suite 400
Washington, DC 20008-1061
Attn: Jaqualin Friend Peterson, Esq.

Dear Ms. Peterson.

We have assessed the request submitted by Mid-Atlantic Association of Alternate Local Exchange Carriers (ALECs) to develop a new blocking option in Pennsylvania which would prevent all usage, both local and toll, from being billed to a residential line. After careful consideration, we have determined that Bell Atlantic is not in a position to enter into this venture at this time.

Existing blocking options, such as, "Voluntary Toll Restriction Option" or "Call Gate Service" are available to Bell Atlantic's retail customers, as well as, to resellers. Please refer to the Pennsylvania P.U.C.-No.1., Section 22C and Section 26, for additional information.

Based upon the Telecommunications Act of 1996, if and when Bell Atlantic develops a new tariffed blocking option, it would be available to both the Retail and Resale markets.

If you have any further questions, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads 'Georgene Horton'.

Georgene Horton

cc: M. Maher
B. Crawford
M. Daly

EXHIBIT G



5.0 Billing in Bell Atlantic South

5.1.3 CLAIMS

This section explains the procedure for submitting a claim for any billing problems that may occur.

Resellers may initiate inquiries by submitting a written claim to the appropriate TISOC. All billing disputes are handled by the TISOC.

Adjustments will be processed and applied at the master account level, or to the component account when appropriate.

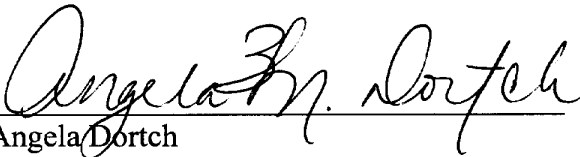
When a claim is submitted, the TISOC representative will:

- Validate the information
- Explain the charges
- Process an adjustment if appropriate
- Confirm the status of the claim to the Reseller by mail, fax or phone

Disputes are handled as promptly as possible. If disputes cannot be handled within 30 days, the representative will notify the Reseller of the reason for delay and indicate an expected date for resolution.

CERTIFICATE OF SERVICE

I, Angela Dortch, hereby certify that on this 10th day of August 1999, served a true copy of the foregoing **“PETITION FOR LEAVE TO FILE COMMENTS”** and **“COMMENTS”** by first class United States Mail, postage prepaid, upon the parties listed in the attached service list.


Angela Dortch

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
TW-A325
Washington, DC 20554

International Transcription Services
1231 20th Street, NW
Washington, DC 20036

Janice Myles
Federal Communications Commission
Policy and Program Planning Division
Common Carrier Bureau
445 12th Street, SW
Washington, DC 20554

Michael Kende
Federal Communications Commission
Policy and Program Planning Division
Common Carrier Bureau
445 12th Street, SW
Washington, DC 20554

To-Quyen Truong
Federal Communications Commission
Policy and Program Planning Division
Common Carrier Bureau
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Washington, DC 20554

Chief International Bureau
445 12th Street, SW
TW-A325
Washington, DC 20554

Jeanine Poltronieri
Wireless Telecommunications Bureau
445 12th Street, SW
TW-A325
Washington, DC 20554

Chief Commercial Wireless Division
445 12th Street, SW
TW-A325
Washington, DC 20554

Cecilia Stephens
Federal Communications Commission
Policy and Program Planning Division
Common Carrier Bureau
445 12th Street, SW
Washington, DC 20554

William P. Barr, Esq.
Executive Vice President-Government and
Regulatory Advocacy and General Counsel
GTE Corporation
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Supra Telecommunications & Information Systems, Inc.
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The Alliance for Public Technology
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New York, NY 10167

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Debbie Goldman
George Kohl
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Washington, DC 20036

Patricia A. Stowell
Public Advocate
Division of Public Advocate
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Wilmington, DE 19801

Charles W. Totto
Department of Commerce and Consumer Affairs
State of Hawaii
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Honolulu, Hawaii 96813

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Co-Director
Consumer Union
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Washington, DC 20009

Dr. Mark Cooper
Research Director
Consumer Federation of America
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Washington, DC 20036

Martin O'Riordan
Director, Worldwide Telecommunications
EMC Corporation
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Hopkinton, MA 01748-9103

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James F. Falvey
E.Spire Communications, Inc.
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Annapolis Junction, MD 20701

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Andrea D. Pruitt
Kelley Drye & Warren LLP
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Washington, DC 20036

Sandy Ibaugh
Director of Telecommunications
Indiana Utility Regulatory Commission
302 W. Washington Street, Rm E306
Indianapolis, IN 46204

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International President
International Brotherhood of Electrical Workers
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Washington, DC 20005

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Keep America Connected
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President
National Consumers League
1701 K Street, NW, Suite 1200
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National Small Business United
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The Competitive Telecommunications Association
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